



Saving West Virginia Seniors Money

The Inflation Reduction Act Lowers the Cost of Health Care

The Inflation Reduction Act was signed into law on August 16, 2022, helping lower the cost of Medicare and prescription drugs for hundreds of thousands of West Virginia seniors. **The IRA lowers healthcare costs for West Virginia seniors on Medicare over the next 3 years by:**

Key Health Care Savings for West Virginians through the IRA:

- **Capping Medicare Part D out-of-pocket costs** at \$2,000 a year
- **Capping out-of-pocket costs on insulin** to \$35 a month
- **Providing free vaccines** for seniors under Medicare, including COVID and shingles
- **Lowering prescription drug prices** by empowering Medicare to negotiate prescription drug prices, which is an issue strongly supported by AARP
- **Extending enhanced tax credits** that make health care more affordable for people who buy insurance on the individual marketplace through 2025, saving West Virginians an average of \$904 on their premiums
- **Penalizing drug companies for outrageous price hikes** on seniors
- **Increasing help for low-income seniors**, giving all qualifying Medicare beneficiaries the full low-income subsidy under Medicare Part D, providing around \$5,000 per person
- **Stabilizing Part D premiums** in Medicare, ensuring seniors and people with disabilities will never see their premiums increase more than 6% from year to year through 2029

Every year, the Inflation Reduction Act will save West Virginia seniors money, on average:

- **\$904 savings on health insurance** purchased on the individual marketplace
- **\$451 savings on insulin** purchased through Medicare
- **\$1,200 savings on prescription drugs** - for seniors on Medicare who will no longer have an out-of-pocket cap on prescription drugs purchased through their benefit
- **\$5,000 subsidy value for those on Medicare Part D** - for low-income seniors now receiving the full low-income subsidy under Medicare Part D

If you or someone you know is in need of assistance, contact my office:

**Charleston • P: (304) 342-5855 • common_sense@manchin.senate.gov
900 Pennsylvania Ave. Ste. 629 Charleston, WV 25302**



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The changes are phased in over the next 3 years:

January 1, 2023

- Insulin costs will be capped at just \$35 for a month's supply under Medicare Part D.
- Vaccines are free for Medicare beneficiaries, including shingles and COVID.
- West Virginians buying health insurance on the ACA Marketplace will be able to save an average of \$904 on their premiums. Four out of five patients will be able to find health plans for \$10 per month or less, ending the subsidy "cliff" that previously existed.
- Pharmaceutical companies that increase drug prices faster than inflation will be required to pay rebates to Medicare, reigning in spending and improving solvency of the program.

July 1, 2023

- The \$35 insulin cap on coinsurance for a month's supply of insulin will be applied to people with Medicare Part B that use insulin provided through a traditional pump covered by the durable medical equipment benefit.

September 1, 2023

- Medicare will publish the list of 10 Medicare drugs selected for negotiation, setting up the first negotiation process for the program.

January 1, 2024

- Medicare Part D beneficiaries will no longer have to pay coinsurance or co-payments in the catastrophic phase of their coverage, resulting in an annual out-of-pocket spending cap of about \$3200 for all prescription drugs.
- Average premium increase for Part D plans limited to just 6% over the previous year.
- Low-income seniors receive the full low-income subsidy under Medicare Part D, valuing at around \$5000 per person.

July 1, 2024

- A cap on Medicare Part B payment amount for new biosimilars takes effect. Biosimilars include drugs such as cancer drugs and rheumatoid arthritis treatments (Humira).

August 1, 2024

- Negotiation period for the first 10 drugs ends.

January 1, 2025

- Medicare Part D annual out-of-pocket costs capped at \$2000 for all prescription drugs.

January 1, 2026

- Medicare prices for negotiated drugs will take effect.

February 1, 2026

- Medicare will announce 15 more Medicare Part B and D drugs for price negotiation. Medicare will announce a subsequent 15 more in 2027 and 2028, increasing to 20 drugs for the 2029 negotiation period.

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